Service Date: July 29, 1980

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

* * *

IN THE MATTER of the Application)
of the CITY OF COLUMBIA FALLS To)
Increase Sewer Rates.)

UTILITY DIVISION
DOCKET NO. 80.6.44
INTERIM ORDER NO. 4675

FINDINGS OF FACT

1. On June 25, 1980, the CITY OF COLUMBIA FALLS (Applicant)
filed an application for authority to increase sewer rates, on
a permanent basis, by approximately 163%, equalling a revenue
increase of approximately $110,900.

2. Concurrent with the filing of the permanent application
for increased rates, the City filed an application for an
interim increase in rates of approximately 163%, equalling a
revenue increase of approximately $110,900 or 100% of the pro-
posed permanent increase.

3. The City alleges the proposed interim increase in rates
is necessary to offset increased costs of operation, to provide
revenue to accomplish the extension, expansion, repair and
improvement of sewer facilities and to recover deficits incurred
by the Sewer Department.

4. The Commission's examination of the City's filing indi-
cates that all cost items outlined by the City with the exception
of operating and maintenance expense are cost items that should be
addressed in the public hearing on the permanent application.

5. The City's exhibits indicate that for the last three (3) fiscal years the Sewer Department has sustained an average operating loss of $28,618 annually.

6. The City's exhibits indicate an interim annual revenue increase of $34,609 is necessary to prevent the City from sustaining an operating loss for fiscal year 1981.

7. The Commission finds that in order to generate annual revenues of $102,717, which is the level of the budgeted operation and maintenance expense for fiscal year 1981, the City will need to file rates that are 98% of the monthly water rates with a minimum monthly sewer charge of $6.00 per month.

CONCLUSIONS OF LAW

1. The Commission has jurisdiction over parties and the subject matter in this proceeding.

2. The Commission may, in its discretion, temporarily approve increases pending a hearing or final action. If the final action is to disapprove the increase, the Commission shall order a rebate to all consumers for the amount collected retroactive to the date of the temporary approval, 69-3-304, MCA.

3. The application for a permanent increase will be noticed for a hearing at a later date.

ORDER

1. IT IS HEREBY ORDERED that Applicant file rates as set forth in Appendix "A" annexed hereto and by this reference incorporated herein.

2.   The rules of operation currently in effect for the sewer utility shall remain in effect until a final order is issued in this docket.
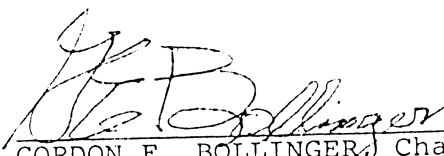
3.   The effective date shall be for sewer service rendered on and after August 1, 1980.
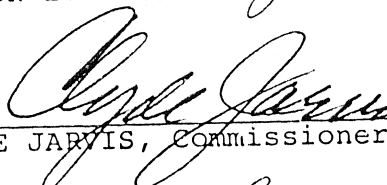
4.   The increase granted herein is subject to rebate should the final order in this docket determine that a lesser amount than authorized by this order is required.

5.   In the event a rebate is directed by the final order in this docket, provision shall be made in that order to cause all uncollected rebates to be escheated to the State of Montana in the manner provided by law.
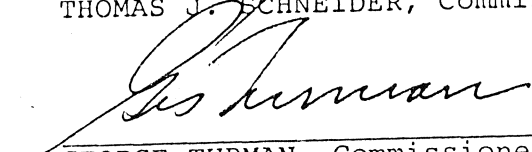
DONE IN OPEN SESSION this 28th day of August, 1980, by a vcte of 4-0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION.

_____
GORDON E. BOLLINGER, Chairman

_____
CLYDE JARVIS, Commissioner

_____
THOMAS J. SCHNEIDER, Commissioner

_____
GEORGE TURMAN, Commissioner

ATTEST:

Madeline L. Cottrill
Commission Secretary

(SEAL)

NOTE: You May be entitled to judicial review of the final
          decision in this matter. If no Motion for Reconsid-
          eration is filed, judicial review may be obtained by
          filing a petition for review within thirty (30) days
          from the service of this order. If a Motion for Recon-
          sideration is filed, a Commission order is final for
          purpose of appeal upon the entry of a ruling on that
          motion, or upon the passage of ten (10) days following
          the filing of that motion. cf. the Montana Adminis-
          trative Procedure Act, esp. Sec. 2-4-702, MCA; and
          Commission Rules of Practice and Procedure, esp. 38-
          2.2(64)-P2750, ARM.